



3447 08/16/06 \$2,375.00 ✓

OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of

No. D06-230

MERASTAR INSURANCE  
COMPANY

2<sup>nd</sup> REVISED CONSENT ORDER  
IMPOSING A FINE

Findings of Fact:

1. Merastar Insurance Company ("Merastar") is authorized to conduct insurance business in Washington State. It issues property and casualty insurance.
2. Revised Code of Washington § 48.05.250 requires every insurer to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year.
3. The April Supplemental filings and the Audited Financial Statements are required annual statement supplements per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that the April Supplemental filings are due by April 1 of the following calendar year, and the Audited Financial Statements are due by June 1 of the following calendar year. WAC 284-07-050 requires adherence to these filing instructions.
4. Merastar filed its calendar year 2004 April Supplemental filings on May 3, 2005, its 2004 Audited Financial Statements on October 7, 2005, and failed to complete filing of its 2004 Annual Statement.
5. Merastar filed its 2005 Annual Statement on May 8, 2006.

Conclusions of Law:

1. Merastar's failure to timely file its calendar year 2004 Annual Statement, 2004 April Supplemental filings, its 2004 Audited Financial Statements, and 2005 Annual Statement constitutes four violations of RCW 48.05.250.
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order

Merastar consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. Merastar consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, Merastar will pay to the Insurance Commissioner a fine in the amount of \$2,875 (two thousand eight hundred seventy five dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by Merastar in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 15<sup>th</sup> day of August, 2006.

MERASTAR INSURANCE COMPANY

By: William T. Neeley

Printed Name: WILLIAM T. NEELEY

Printed Corporate Title: CONTROLLER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. Merastar Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$2,875 (two thousand eight hundred seventy five dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 18<sup>th</sup> day of August, 2006

MIKE KREIDLER  
Insurance Commissioner

By: Marcia G. Stickler  
Marcia G. Stickler  
Legal Affairs Division